



***Program Compliance Office
California Student Opportunity & Access Program
Review Report***

2001-02 Award Year

**Central Valley Consortium
Program Review ID#60300200010
2743 East Shaw Avenue, Suite 111
Fresno, CA 93710**

Program Review Date:

October 6 - 9, 2003
October 29 – 30, 2003

Auditor:

Inez Villanueva
(916) 526-8034

Report Approved by:

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Program Compliance Office
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FINDINGS AND REQUIRED ACTIONS

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AUDITOR'S REPORT

SUMMARY

We reviewed Central Valley Consortium's administration of California Student Aid Commission (Commission) California Student Opportunity & Access Program (Cal-SOAP) for the 2001-02 award year.

The consortium's records disclosed the following:

- Governing Board Minutes Reflect Lack Project Governance and Lack of Member Attendance
- Consortium Policies and Procedures Not Fully Developed
- Actual In-Kind Match Not Properly Documented
- Student Payment Discrepancies
- Disposal of Equipment Not Approved
- No Written Agreement between the Consortium and Fiscal Agent
- Award Year Expenses Charged Incorrectly
- Excessive Cell Phone Usage
- Travel Reimbursement Allowances Exceeded

BACKGROUND

Through consortium compliance reviews, the administration of the Cal-SOAP program is evaluated to ensure program integrity with applicable laws, policies, contracts and consortium agreements.

The following information, obtained from the consortium and Commission database, is provided as background on the consortium:

A. Consortium

- Type of Organization: Private, Non-profit
- Project Directors: Thomas Gaxiola
(through December 31, 2001)
Daisy Dalrymple
(May 1, 2002 through the present)
- Board Chairperson: Pamela McGee
- Fiscal Agent: California State University, Fresno,
Auxiliary Services
- Membership: California State University, Fresno
University of California, Merced
Fresno County Department of
Education
Fresno City College
Fresno Pacific College
I-5 Business Development Corridor
Dos Palos High School
Firebaugh High School
Kerman High School
Mendota High School
Tranquility High School

AUDITOR'S REPORT (continued)

B. Consortium Persons Contacted

- | | |
|--------------------|-----------------------------|
| • Daisy Dalrymple | Project Director |
| • Pamela McGee | Board Chairperson |
| • Linda Christian | Grant Accounting Supervisor |
| • Wilma Satterberg | Grant Accountant |

C. Project Information

- | | |
|---|--|
| • Date of Prior Cal-SOAP Program Review: | None |
| • Branches: | None |
| • Cal-SOAP Programs/Services: | College: Making It Happen
Transfer: Making It Happen
Westside Educational Partnership
Summer Academy
College Goal Sunday
Campus Visits
College and Program Recruitment Activities
College Admissions Receptions
I'm going to College |
| • Size of Student population in the service area: | 3,000 |
| • Number of Students Served | |
| General: | 455 |
| Intensive: | 1,283 |

OBJECTIVES, SCOPE AND METHODOLOGY

The purpose of our review is to provide the Commission with assurance that the consortium adequately administered the Cal-SOAP program and that they are in compliance with applicable laws, policies, contracts and consortium agreements.

The review focused on, but was not limited to, the following areas:

- A. General Eligibility
- B. Program Eligibility
- C. Fiscal Accountability

The specific objectives of the review were to determine that:

- Administration systems have adequate controls to ensure that Cal-SOAP funds received by the consortium are secure and payments are accurate, legal and proper.
- Accounting requirements are being followed.

AUDITOR'S REPORT (continued)

OBJECTIVES, SCOPE AND METHODOLOGY (continued)

The procedures performed in conducting this review included:

- Evaluation of the current administrative and payment procedures through interviews and reviews of records, forms and procedures. payment procedures.
- Review of the records and payment transactions from a sample of 4 Cal-SOAP student tutors within the review period. The program review sample was judgmentally selected from the total population of 18 tutors.
- Review of the records and payment transactions from a sample of Cal-SOAP expenditures within the review period.

The review scope was limited to planning and performing procedures to obtain reasonable assurance that Cal-SOAP funds were administered according to the applicable laws, policies, contracts and consortium agreements.

Accordingly, transactions were examined on a test basis to determine whether Cal-SOAP funds were expended in an eligible manner. The auditor considered the consortium's management controls only to the extent necessary to plan the review.

This report is written using the exception-reporting format, which excludes the positive aspects of the consortium's administration of the Cal-SOAP program.

The names and social security numbers of student employees cited in the report have been excluded from the body of this report and have been replaced by identifying numbers. Attachment A is a listing of the students by name and social security number.

CONCLUSION

In conclusion, except for the issues described in the Findings and Required Actions section of this report, the consortium administrated the Commission Cal-SOAP program in accordance with the applicable laws, policies, contracts and consortium agreements as they pertain to the Commissions Cal-SOAP program.

VIEWS OF RESPONSIBLE OFFICIALS

The review was discussed with agency representatives in an exit conference held on October 30, 2003.

October 30, 2003

Charles Wood, Manager
Program Compliance Office

FINDINGS AND REQUIRED ACTIONS

A. GENERAL
ELIGIBILITY:

FINDING 1: Governing Board Minutes Reflect Lack Project Governance and Lack of Member Attendance

According to the 2001-02 board meeting minutes, the governing board is not fully governing the project and members are not attending regularly.

DISCUSSION:

The governing board of each project shall establish management policy, provide direction to the project, set priorities for budgetary decisions that reflect the specific needs of the project, and assume responsibility for securing the matching funds. A Consortium is expected to operate within regularly adopted By Laws.

Article V of Central Valley Cal-SOAP Consortium By Laws state, "The Central Valley Cal-SOAP Consortium Governing Board set the policy for the Cal-SOAP Project and oversees the activities of the Project staff. The Governing Board shall be the voting members of the Consortium."

Section 1 of Article VI further states, "Governing board: Shall be composed of voting representatives of all member institutions, agencies and organizations. A quorum is defined as 50 percent of the voting members plus one. A quorum is required to act upon any and all actions or business of the Governing Board. The Governing Board shall:

- 1) set project policies;
- 2) oversee project staff;
- 3) approve all major project activities
- 4) act on recommendations of the Executive Committee
- 5) ratify decisions and actions of the Executive Committee; and
- 6) review and approve all petitions of potential new members

In reviewing the Executive Governing Board minutes for award year 2001-02 it was revealed that the minutes do not accurately reflect all formal decisions made by the governing board, such as, voting; approving of budgets; completing the Annual Program Plan; and ratifying Executive Committee decisions.

Moreover, the Consortium retained only four of the six meeting minutes (Cal-SOAP Board meeting minutes for October 25, 2001 and December 6, 2001 were missing). In addition, three of the eleven member entities missed 3 or more of the four documented meetings.

Prior to the exit conference Central Valley provided the following response:

Time, energy, and diligence were used in trying to locate the missing 2001-02 meeting documents. The Project, however, has taken the initiative since July 1, 2002 of documenting, recording, and keeping not only hard copies of all meetings, but the Project keeps all said documents on the Central Valley Cal-SOAP Server which holds the Cal-SOAP main folder. Anything and everything relating to Cal-SOAP, is filed under the Cal-SOAP main folder.

FINDINGS AND REQUIRED ACTIONS (continued)

REFERENCES:

Cal-SOAP Operations Handbook, 10/01, Sections 2.1 and 2.2
California Education Code, 69561 (h)
Central Valley Consortium By-Laws

REQUIRED ACTION:

The consortium's action is deemed acceptable and no further action is required. However, the consortium should ensure that all meetings are documented (i.e. members in attendance, date, summary of meeting, voting documentation and all formal decisions) in the form of written minutes and shall take place according to the Consortium's By-Laws.

A. GENERAL ELIGIBILITY:

FINDING 2: Consortium Policies and Procedures Not Fully Developed

There are no written policies or procedures available at the Consortium to govern the administration of the Cal-SOAP program.

DISCUSSION:

In order to measure performance of the consortium it is necessary to analyze the adequacy and enforcement of established internal controls (procedures) for safeguarding the operational and fiscal integrity of the Cal-SOAP program. A compliance review includes evaluating the consortium's controls (procedures) and written policies.

For the 2001-02 Central Valley Consortium did not have sufficient written policy and procedures for the administration of the program.

Central Valley Consortium provided the following pre-exit response:

Central Valley Cal-SOAP has established the following elaborate Binders:

1. 2003-04 Tutor Handbook
2. 2003-04 Consortium Member Handbook
3. Policies & Procedures for Activities & Events
4. Completing a comprehensive 2003-04 In-house Procedures Binder

REFERENCES:

Cal-SOAP Operations Handbook, 10/01, Sections 5, page 2
Cal-SOAP Operations Handbook, 10/01, Sections 6, pages 7 to 13

REQUIRED ACTION:

The consortium's action is deemed acceptable and no further action is required.

FINDINGS AND REQUIRED ACTIONS (continued)

B. PROGRAM
ELIGIBILITY:

FINDING 1: Actual In-Kind Match Not Properly Documented

A review of 4 consortium member's in-kind match documentation revealed the respective institutions did not have detailed documentation of the in-kind contribution amounts.

DISCUSSION:

State law requires a matching contribution of local resources for each Cal-SOAP project at a 1:1 ratio. The goal, however, is for the projects to attain a 1:1.5 ratio. Each consortium, through its Project Director, is expected to systematically account for the receipt and expenditure of matching funds provided by supporting institutions. The expenditure of matching funds constitutes an integral part of each project's operation and its fiscal reporting to the Commission. "In-Kind" funds, which are not included in a project's expenditure budget, are to be accounted for in a reasonable manner and reported to the Commission.

On-site visits of 4 consortium members to review in-kind match documentation revealed that the consortium members did not document their in-kind contributions adequately. The Project Director and the consortium members indicated that they were not aware of the specific details and retention of substantiating documentation needed when reporting the in-kind contribution amounts to the Commission. The auditors discussed with institutions and the Project Director that the failure to properly report the actual in-kind contribution amount could result in an incorrect match amount being reported to the Commission.

Central Valley Consortium provided the following pre-exit response:

Central Valley Cal-SOAP's practice of documenting the In-Kind Match Contribution has been documented on Form B. Form A (the commitment form) is filled out by all partners during the Cal-SOAP APP process. At the end of the fiscal year, Project partners complete the Form B (Commitment documentation form).

The Project fully understands the need of having a mathematical process in place. Therefore, during the Central Valley Cal-SOAP Consortium Meeting scheduled for Thursday, October 30, 2003, this will be the main item of discussion. Consortium members have been asked to bring their ideas to formulate a general mathematical process which will be Consortium member friendly user. This new recording system will take effect this fiscal year, 2003-04 if possible.

REFERENCES:

California Education Code, Section 69564
Cal-SOAP Program Operations Handbook, 10/01, Section 4, pages 2 - 4

FINDINGS AND REQUIRED ACTIONS (continued)

REQUIRED ACTIONS:

In response, please provide an example of the newly developed in-kind contribution form that will be utilized by the members the policies and procedures that outlines the process in which the amount of match was determined.

CONSORTIUM RESPONSE:

The Central Valley Cal-SOAP Program has taken the following steps to verify and document future in-kind contributions from members, beginning with the 2004-2005 fiscal year:

1. Form A and Form B documents are personalized for each member institution or organization, and distributed at the appropriate times to partners (early spring for Form A; late summer or early fall for Form B) in person or by mail. Suggestions for appropriate types of services/funds to document accompany these forms.
2. Following each major event, the Data Technician creates an electronic record of in-kind funds contributed so that a running record is kept for the year. Members are asked to provide back-up documentation of their in-kind service (P.O.'s, time sheets, written records of daily rates, etc.) for a file which is kept in the Cal-SOAP Office.
3. Each quarter, members will be asked to review their records to date and provide an in-kind verification form of matching funds/resources to date. For this purpose, Cal-SOAP is adapting forms provided as examples by the fiscal agent, CSU Fresno Foundation, as shown in Attachments A through D (see attachments).
4. Quarterly reports on in-kind documentation will be distributed to members at quarterly Cal-SOAP Consortium Meetings, and by electronic mail.

AUDITOR REPLY:

The consortium's action is deemed acceptable.

B. PROGRAM ELIGIBILITY:

FINDING 2: Student Payment Discrepancies

A review of student employee records revealed 2 cases where there were discrepancies in the payment information.

DISCUSSION:

In order to participate in Cal-SOAP, an institution must enter into an agreement with the Commission, thereby acknowledging its willingness and ability to administer the program according to published rules and regulations and program

FINDINGS AND REQUIRED ACTIONS (continued)

guidelines. The institution agrees to monitor and maintain fiscal records documenting financial transactions that include salaries and fringe benefits of student employees who provide services through the Cal-SOAP project. The following discrepancies were noted for two student employees of the consortium.

1. For pay period 8/1/01 to 8/31/01, student No. 2 was paid for 36 hours, however, the total number of hours recorded on the Temporary Help Voucher was 35. The hours worked are as follows:

Date	Hours
8/13/01	7.5
8/14/01	7.5
8/15/01	4.0
8/16/01	8.0
8/17/01	8.0
Total Hours	35.0

Consortium Pre-exit response for student No. 2:

In reviewing the mentioned Temporary Help Voucher, the Projects' records indicate that the total number of hours submitted were 35. The alternation occurred at the CSU, Fresno Foundation Payroll Department without an explanation.

2. For student employee No. 3 who was a database entry clerk, the earned wages of \$2988 was incorrectly charged the student category. According to the Cal-SOAP Operations manual only students who work directly in an advisory/mentoring/tutoring capacity with student participating in the program should be charged to the student category. Any students doing administrative functions, i.e., data base clerk, should be charged to program services staff.

In addition, for pay period 4/30/02 to 5/7/02, student No. 3 was paid for 40 hours @ \$8.50/hr, however, on all other 2001-02 time sheets the student was paid at a rate of \$8.00/hr.

Consortium Pre-exit response for No. 3:

Central Valley Cal-SOAP has taken the appropriate actions of excluding any college/university student/s employed by the Project to assist in administrative roles from the 30% tutor budget line item.

Let it be noted that the college/university student in question began work on 03/22/02 as a data base clerk to assist in entering K-14 student information. It was also at a time when the Project did not

FINDINGS AND REQUIRED ACTIONS (continued)

have a paid Director. The Project Director left his position on December 2001 and a replacement was hired on 05/01/02.

Additionally, a miscalculated hourly wage was entered for the pay period of April 16, 2002 to April 30, 2002. Again, this was the period where the Project operated without a paid Project Director.

REFERENCE:

Cal-SOAP Program Operations Handbook, 10/01, Section 4, page 5
Cal-SOAP Program Operations Handbook, 10/01, Section 6, page 12

REQUIRED ACTION:

Central Valley Consortium is required to implement control measures to ensure that tutor timesheets are accurate prior to payment approval. Additionally, the Consortium must submit the procedures that will be implemented to ensure that all students are paid the correct amount and the correct category.

CONSORTIUM RESPONSE:

In a Memo dated 13 August 2003, and presented in a meeting between the Director and the five- member Executive Board of the Consortium, the following policies were put in place:

- All timesheets will be reviewed by the Director of the Project (in addition to the Student Services Coordinator) for accuracy and completeness;
- All nonexempt student tutor/advisors will be paid any overtime due them for the reporting period;
- The current budget for the project will be revised to include any overtime pay due non- exempt employees for the current fiscal year, and for any dates and times when overtime hours are likely to occur;
- A calendar which lists events, particularly those likely to require overtime hours will be submitted no later than the beginning of each month with that notation made;
- All issues of pay will be handled according to .the procedures established by the California Student Aid Commission Guidelines (as available) and the California State University Fresno Foundation Project Directors Policies and Procedures Handbook provided by the CSUF Foundation, the fiscal agent for the Project.

AUDITORS REPLY:

The consortium's action is deemed acceptable and no further action is required.

FINDINGS AND REQUIRED ACTIONS (continued)

B. PROGRAM
ELIGIBILITY:

FINDING 3: Disposal of Equipment Not Approved

A review of Cal-SOAP equipment revealed that disposal of state equipment was not approved by the Commission.

DISCUSSION:

According to the Cal-SOAP Agreement, equipment items (major and minor) purchased using state funds shall be identified with an appropriate identification tag and the brand name, cost, date of purchase, identification/serial number, etc., shall be listed on an Equipment Inventory Report.

Moreover, the Cal-SOAP Equipment Inventory Report states the disposition of major/minor equipment must be approved on this form in advance prior to the Grantee disposing of any equipment. This process allows equipment purchased with state funds to be properly inventoried and tracked as State of California property.

Central Valley Consortium disposed of two paper shredders that were broken prior to notifying the Commission.

REFERENCES:

Cal-SOAP Operations Handbook, Chapter 4, page 3
Cal-SOAP Agreement (G-00-010)
Cal-SOAP Equipment Inventory Report

REQUIRED ACTIONS:

The Consortium must provide written procedures that detail how it will notify the Commission of its intention of disposing property purchased with Cal-SOAP funds.

CONSORTIUM RESPONSE:

The Central Valley Cal-SOAP Consortium has adopted the following procedures:

- As of August 2002, and with the implementation of the new data system required by CSAC, the Central Valley Cal-SOAP Consortium logs all equipment on the system. Each item is labeled with an identifying code and no item is disposed of without prior written approval from the CSAC offices, using the appropriate forms;
- The Project Director will supply to the full Consortium an Inventory of all items at the first and third quarterly meetings of the fiscal year.

AUDITORS REPLY:

The consortium's action is deemed acceptable and no further action is required.

FINDINGS AND REQUIRED ACTIONS (continued)

C. FISCAL
ACCOUNTABILITY:

FINDING 1: No Written Agreement Between the Consortium and Fiscal Agent

According to discussions with the Project Director and Fiscal Agent, there is no written agreement between the Consortium and the Fiscal Agent.

DISCUSSION:

Consortium By-laws, Article VIII, state, "The governing board shall negotiate a mutually acceptable agreement with a member of the consortium". A written agreement detailing the duties and responsibilities of the consortium and fiscal agent could eliminate any misunderstandings the administration of the Cal-SOAP program.

California State University, Fresno - Auxiliary Corporations has been performing the duties of Fiscal Agent without negative consequences. However, without a written agreement detailing the duties and responsibilities of the Fiscal Agent, there could be a misinterpretation of the Fiscal Agent's role in the administration of the Cal-SOAP program.

Central Valley Consortium provided the following pre-exit response:

Central Valley Cal-SOAP has embraced this recommendation. A meeting took place with CSU, Fresno Foundation Dr. Dan Griffin on October 9, 2003 to begin the process of developing an MOU between CSU, Fresno Foundation and Central Valley Cal-SOAP.

REFERENCE:

Cal-SOAP Program Operations Handbook, 10/01, Section 2, page 2
Central Valley Consortium By-Law, Article VIII

REQUIRED ACTIONS:

The Consortium and the Fiscal Agent negotiated a written agreement to define the duties and responsibilities of the Fiscal Agent and the Consortium that became effective April 2004. Please provide a completed and signed copy of the agreement in your response to this report.

AUDITORS REPLY:

A completed and signed copy of the agreement was supplied to the Commission.

FINDINGS AND REQUIRED ACTIONS (continued)

C. FISCAL
ACCOUNTABILITY:

FINDING 2: Award Year Expenses Charged Incorrectly

A review of the Consortium's general ledgers revealed incorrect award year expenses.

The expenditure budget for a Cal-SOAP project shows proposed expenditures by state funds, by matching funds, and in total according to project functions and basic operations.

A preliminary budget for a year is included in a consortium's reapplication for funding, with the approval of the reapplication being based in part on the budget. This program budget reflects the anticipated costs of carrying out expected levels of services and activities for the year. As there may be reasons for making changes in the budget during the early months of the fiscal year, a final budget is not called for until October 1.

Once the Commission approves this final budget, it may be changed only by special arrangements with Commission staff. The Commission expects projects to maintain adequate fiscal and managerial controls to ensure proper expenditures of funds. Each consortium's project director will report at least quarterly to its fiscal agent on the status of the project's budget. This information will be transmitted, on a regular basis, to representatives of the consortium and to the Commission.

2000-01 award year postage expenses and 2002-03 award year supply expenses were charged to the 2001-02 award year.

REFERENCES:

Cal-SOAP Agreement (G-00-010)
Cal-SOAP Compliance Review Guidance, 11/30/01, Appendix C-Instructions for Reimbursement-Budget Report

REQUIRED ACTION:

Although the Consortium's pre-exit response stated that the Project has not repeated this practice since July 1, 2002, the Consortium must submit written procedures that will ensure that prior or future year expenses are not included in the current year Cal-SOAP program budget.

CONSORTIUM RESPONSE:

As of 20 May 2004, the Central Valley Cal-SOAP Consortium has implemented the following procedures:

- The Project Director will retain and present a file of all background paperwork pertaining to each quarterly reimbursement report to the Consortium Treasurer;

FINDINGS AND REQUIRED ACTIONS (continued)

- The Consortium Treasurer will be given a minimum of 72 hours notice when signing required reimbursement approval forms;
- The Consortium Treasurer will match all dates to the appropriate fiscal year before signing reimbursement forms;
- The CSUF Foundation (fiscal agent) will monitor all expenditures so that all items are paid in the appropriate fiscal year.

AUDITORS REPLY:

The consortium's action is deemed acceptable and no further action is required.

C. FISCAL ACCOUNTABILITY:

FINDING 3: Excessive Cell Phone Usage

Inappropriate usage of Cal-SOAP cell phone.

DISCUSSION:

Monitoring includes the policies and procedures that ensure that all expenditures on behalf of the Cal-SOAP program are in compliance with the Cal-SOAP Law and requirements of the Commission. The responsibility for program compliance rests primarily with the governing board and its delegation of certain responsibilities to the project director. The fiscal agent also plays an integral role in this process. Compliance Monitoring Includes, but is not limited to, periodic monitoring of expenditure reports for validity of charges, and reviewing the time and effect of employees charging expenses to the program.

In reviewing the Consortium staff cell phone bills it was discovered that one staff person had excessive usage of the program's cell phone which was not related to Cal-SOAP business and appeared to be for personal use. Numerous questionable calls were made after 7:00 PM and before 8:00 AM. Although the staff person paid back \$137.10 to the program, the amount Cal-SOAP funds paid for these unrelated charges to the program could not be determined during the visit.

REFERENCES:

Cal-SOAP Operations Handbook, 10/01, Section 4
Cal-SOAP Compliance Review Guidance, 11/30/01, pages 4-5

REQUIRED ACTION:

The Project Director's pre-exit response stated:

"It is unfortunate that this practice occurred with one cell phone user. The Cell Phone was requested and obtained from this employee on July 21, 2003.

Central Valley Consortium must submit in writing the internal controls that will be implemented to ensure that cell phone usage is reviewed and approved in order to safeguard and monitor the program funds.

FINDINGS AND REQUIRED ACTIONS (continued)

CONSORTIUM RESPONSE:

As of 21 July 2003, only two professional staff retain cellular phones for use in Project business. The Executive Board has determined the following regarding cellular phone usage:

- Cell phones will be distributed to professional staff only;
- The Project Director is charged with reviewing all bills to ensure that cell phone usage is for Project business only, including, but not limited to, matching numbers to personal numbers of Project staff who are issued cell phones;
- The Director will provide cell phone usage total amounts in budget reports to the full Consortium at quarterly meetings, beginning with the start of the new fiscal year 1 July 2004.

AUDITORS REPLY:

The consortium's action is deemed acceptable and no further action is required.

C. FISCAL ACCOUNTABILITY:

FINDING 4: Travel Reimbursement Allowances Exceeded

A review of travel reimbursement policies and claims revealed that Cal-SOAP travel reimbursement amounts were higher than the allowances in the Cal-SOAP Agreement.

DISCUSSION:

The 2001-02 award year Travel and Per Diem Schedule rates per the Cal-SOAP Agreement are as follows on the next page:

- lodging up to \$84.00 plus tax, with receipt (lodging costs that exceed \$84 require advance approval by the State Contract Manager);
- breakfast, up to \$6.00;
- lunch, up to \$10.00;
- dinner, up to \$18.00;
- incidentals, up to \$6.00; and
- mileage, 31 cents per mile.

Time Frames-Less Than 24-Hour

For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses up to the maximum as follows:

Breakfast: Leave at or before 0600 (6:00am)
 Return at or after 0900 (9:00 am)

FINDINGS AND REQUIRED ACTIONS (continued)

Lunch	<u>No reimbursement allowed</u>
Dinner	Leave at or before 1600 (4:00 pm) Return at or after 1900 (7:00 pm)

In comparing the above approved rates and the consortium rates paid the following discrepancies were noted:

- mileage rate at 34.5 cents per mile
- meal expenses allowances were exceeded.

Any expenses exceeding these allowances are not reimbursable from Cal-SOAP funds.

REFERENCES:

Cal-SOAP Agreement (G-00-010), Section 6.D, pages 3 and 4
Cal-SOAP Agreement (G-00-010), Attachment 5, Section a (2), b (2) (3), and d

REQUIRED ACTION:

The Consortium Pre-exit response indicated the following;

Let the record show that immediate action was taken by this Director who joined the Project on May 1, 2002. Mileage forms turned in after May 1, 2002, were claimed at 31 cents per mile. Beginning on July 1, 2002, mileage was paid at 34 cents per mile.

No further action is required; however; the Consortium is reminded that it may only claim the Travel and Per Diem Schedule rates per the Cal-SOAP Agreement for travel expenses. Any excess expense travel expenses must be reimbursed with other funds.

ATTACHMENT A STUDENT SAMPLE

**OBSERVATION AND
RECOMMENDATION:**

The following are observations and recommendations based upon our review of the institution's policies and procedures and the condition of the institution's records.

OBSERVATION: Food Provided for Cal-SOAP Related Meetings

The intention of Cal-SOAP is to spend funds on “**NEEDY**” **Cal-SOAP students** in their quest for postsecondary education. It was observed that food was provided for Cal-SOAP related meetings and tutor training sessions, etc. The Commission finds this practice questionable.

The Consortium’s Pre-exit response stated the following:

“This Project adamantly agrees with the philosophy of using each and every cent to be spent on our “Needy” Cal-SOAP students. For the record, the Project would like to state that the Cal-SOAP Handbook provided by the California Student Aid Commission (CSAC) did not provide the necessary guidance in informing the Projects what expenditures were acceptable and which were not.

Again, let me state that this practice ceased as of March 2003 when this Project was informed during a Cal-SOAP Director’s Meeting that the CSAC Compliance Review Team questioned this practice.”

RECOMMENDATION:

The intent of the program is to increase the availability of information on the existence of postsecondary education and to raise the achievement levels of Cal-SOAP eligible students. With the limited amount of Cal-SOAP funds the purchase of food for Cal-SOAP functions that is not directly related to student activities is questionable. Since the consortium ceased this practice in March 2003, no further action is required.